



RECONNECT CORNER

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Holiday Spending

With the 2021 holiday season just around the corner, it's time to consider how to best prepare for the associated strain on end of the year budgets. Conveniently, the holiday season comes hand in hand with shopping holidays, travel discounts, and end of year quota crunches for many businesses. Being aware of these changes can help you take advantage of deals and stretch your dollar further. Below are some steps that you can take to make sure that the end of the year doesn't break the bank.



Prioritize your potential expenses

Gifts for everyone? A trip to see family during the holidays? A full three-course meal, or sweets and treats throughout the season? How do you plan to spend during the holidays? Create a list of desired expenses and decide what you can and cannot afford. Sometimes there will need to be sacrifices. Knowing what your priorities are will make it easier to decide if buying gifts for loved ones needs to be replaced with a trip to see family, for instance.



Establish a spending limit

Once you have your priorities in order, figure out what you can afford. Look at your current budget, expected income, and decide if any items on your priority list need to be removed. Make sure that the goal is achievable and doesn't require financing for purchases. Financing gifts and other holiday expenses is an easy way to create bad debt.



Create a holiday budget

If you need to add to your holiday spending limit, then creating a holiday budget a few months out is a good place to start. Look at some of your unnecessary expenses and come up with ways to cut them down. Reducing the number of times you order in food or eat out at a restaurant can create some quick surpluses in the budget. Making cuts in the entertainment section of your budget or using lower cost alternatives, like streaming films versus going to the movies, can also give you some more capital for holiday expenses.



Stretch your dollar

Once you have identified how much you must spend, budget cuts included, and what you want to spend your money on, it's time to find ways to stretch your dollar. If you are planning travel, look for deals and bundles that can lower the overall cost of the trip. If you are looking for gifts for family and friends, plan for shopping trips built around discounts or deals offered by stores. Look for coupons or discount codes for online shopping and make sure to compare the prices of gifts you are buying to other retailers in your area or online.



Find alternative gifts

Sometimes trips become too expensive to afford or gifts become hard to find at the right price. When that happens make sure to have a failsafe. Plan for alternative gifts like experiences or small local activities that you might have been putting off.



The average cost of rent has been rising far higher than normal in the United States over the last six months. This year alone rent has increased by over 11.4% so far, as compared to an average of 3.3% according to a report from Apartment List.

Rising Rent

There are a few reasons for this, including the rising cost of homes. One of the main groups affected by this housing sting are service member and their families. A survey released by the Syracuse University Institute for Veterans and Military Families found that many active-duty families who live outside of military installations pay more than \$200 out of pocket for housing costs above their Basic Allowance for Housing. This added financial stress can stretch already thin budgets to the breaking point.

Rising rent further compounds this issue when families need to move quickly and are confronted with higher-than-average rents that the Basic Allowance for Housing hasn't caught up to yet. Here are three potential steps to address the financial stress, short term or long, that are created by higher rent.

Re-budget If your financial shortfall is small or the appears to be a short-term issue then a simple change to your budget may solve your issue. Look for areas where you can adjust your spending to create sustainable change like cooking more, changing entertainment habits, or even trying to be more conscious of water and electric usage to bring down utility costs.

These are typically short-term solutions that work best when you have upcoming living expenses are not in a financial issue immediately.

Seek financial assistance Short-term or immediate financial assistance can be an appropriate measure to alleviate housing concerns created by a temporary financial disruption, unexpected bills, or a temporary increase in general costs.

Financial assistance for rental housing and mortgage assistance typically attempts to help residents maintain their current home without needing to consider relocating. These programs can be either grants to cover costs or short-term loans with a fixed interest rate to cover costs. These are not long-term solutions and need to be considered only if the current financial stress is temporary.

Consider relocating Sometimes rent hikes come during the middle of your lease term or when you're close to resigning, and seeking rental assistance or budgeting simply isn't going to be a long-term solution. Local housing authorities will sometimes offer moving assistance and help with finding lower cost housing in your immediate area. Make sure to check with your local housing authority for a full listing of their supported programs.

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When considering a move don't forget that there are costs typically associated with breaking a lease. Namely, most rental organizations will ask for either two months' rent or insist that you continue to pay rent until they find a new tenant. If you're close to the end of your lease, it may be a better financial decision to seek financial assistance or re-budget to finish off the lease.

Regardless of your choice, make sure that you don't use financing options like credit cards or short-term, high interest loans to pay off your excess rent. These options might give you some short-term financial relief but can quickly build up into unsustainable debt.

Dealing With the Death of a Loved One



Discussing end of life plans and what to do in the case of a personal or family tragedy is a tough conversation to start with anyone. Planning and having these conversations early are key to ensuring that any surviving loved ones are not overly burdened by the task of handling finances and can instead grieve and come to terms with the loss in a healthy manner without needing to worry.

The first step in the planning process is to go over the legal and personal requirements for each member. This means creating a will detailing the distribution of assets after death as well as discussing end of life preferences. Engaging an executor for the will or an estate planner can also provide some relief and guidance for family members. An often overlooked but critical document to keep with your will is one that breaks down all accounts, login information, and debts owed. This will allow surviving family members to access all important accounts either online or over the phone and understand what expenses need to be taken care of. This document should be kept in a secure place near any wills or trusts. This should be in addition to a jointly maintained budget that details all expenses and income that your family maintains so that any financial changes can be clearly documented moving forward.

After a loved one passes there are often changes that many don't consider in the moment. Acknowledging these up front and attempting to plan for them can make the transition much easier and reduce financial stress associated with things like handling insurance, the cost of a burial or funeral, or the changes to income that losing a member of your household will bring. Dealing with the immediate changes like insurance and burial costs are typically handled through benefits management. Ensure that any wishes you or your loved one may have have been clearly articulated and that the beneficiaries of any payouts are kept up to date. Include any documentation detailing these plans with will and trust information. Predicting changes to income can be harder. Discuss your insurance benefits and any other forms of income that may help alleviate the lost income from your loved one. Compare this to your current expenses and create a transitional priority spending plan to help you or your loved ones make the switch to locating supplemental income.

This entire process will feel numbing and overwhelming no matter how prepared you are for it. Make sure to build support networks around yourself to help guide you through the process. Friends and family will be key support structures to help with executing end of life plans and simply providing comfort and company. For military families there are also survivor's networks for most branches of the military as well as several general groups. Planning for these eventualities is tough, but a tough conversation can save you a lot of pain in the long run.